

Sedgwick M. Jeanite, Esq.  
WHITE AND WILLIAMS LLP  
One Penn Plaza, Suite 4110  
New York, NY 10119  
Telephone: (212) 631-4413  
Telecopier: (212) 868-4846  
*Counsel for Robert Franz*

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re:	:	CHAPTER 11
LEHMAN BROTHERS HOLDINGS INC., et al.,	:	Case No. 08-13555 (JMP)
Debtors.	:	(Jointly Administered)
	x	

**RESPONSE OF ROBERT FRANZ IN OPPOSITION TO DEBTORS'**  
**TWO HUNDRED TWENTY-FOURTH OMNIBUS OBJECTION**

Robert Franz (“Franz”), by and through his counsel, White and Williams LLP, hereby submits this Response and the Accompany Affidavit of Robert Franz in opposition to the Debtors’ Two Hundred Twenty-Fourth Omnibus Objection (“224th Objection”) and (2) for such other and further relief as may be just and proper. In support of the Response, Franz respectfully states the following:

**PRELIMINARY STATEMENT**

1. On or about April 16, 2009, Franz promptly and timely filed a proof of claim in the this bankruptcy action in the amount of \$1,665,263.82, which was assigned Claim Number 3802 (“Franz Proof of Claim 1”). Therein, his address was listed as 81 Dixon Avenue, Boonton, NJ 07005. (See Affidavit of Robert Franz ¶ 4, Exhibit A).

2. On or about September 15, 2009, Franz timely filed a second proof of claim in the amount of \$2,128,189.23, which was assigned Claim Number 13065 (“Franz Proof of Claim 2”). Franz’s address was listed as 81 Dixon Avenue, Boonton, NJ 07005 in Franz Proof of Claim 2. (See Affidavit of Robert Franz ¶ 7, Exhibit B).

3. On or about February 14, 2011, Lehman Brothers Holdings Inc. and its affiliated debtors filed their Ninety-Second Omnibus Objection to Claims (the “92nd Objection”) seeking

the disallowance and expungement of the claims listed on Exhibit A annexed thereto. One of the claims identified in the 92d Objection was Franz Proof of Claim 2.

4. Franz did not receive notice from the Debtors regarding the 92nd Objection. As a result of the Debtors' failure to promptly notify Franz of the 92nd Objection, it was impossible for Franz to respond to the Objection regarding the failure to include blocking numbers in Franz Proof of Claim 2.

5. Unknown to Franz, on or about March 31, 2011, this Court entered an Order granting the 92nd Objection with respect to claims listed on Exhibit 1 annexed hereto (the "March 31st Order").

6. Franz did not receive notice from the Debtors regarding the March 31st Order and did not learn of the March 31st Order until the Summer of 2011.

7. On or about August 24, 2011, Franz caused to be filed an amended proof of claim covering those Lehman Bonds identified in Franz Proof of Claim 2 and additional bonds of the Debtors owned by Franz (the "Amended Franz Proof of Claim").

8. Thereafter, on October 18, 2011, Franz received the Debtors 224th Objection seeking to disallow or expunge the Amended Franz Proof of Claim.

9. With respect to the 92nd Objection, even assuming, arguendo, that a blocking number was required, Franz Proof of Claim 2, as amended by the Amended Franz Proof of Claim, should still survive as an informal proof of claim because sufficient information was timely provided to the Debtors to put them on notice of the claim. Franz Proof of Claim 2 clearly satisfies the requirements for an informal proof of claim and provided the Debtors with an explicit demand setting forth the nature of the claim, the amount of the claim, and Franz's intent to hold LBHI liable. The considerations of equity clearly weigh in Franz's favor and expungement was not warranted under the circumstances.

10. Together with this Response, Franz shall also file a motion for reconsideration of the March 31st Order, seeking to have Franz Proof of Claim 2 reinstated (the "Motion").

**RELIEF REQUESTED**

11. Franz submits this Response and the accompanying Affidavit of Robert Franz and hereby requests that (1) the Court deny the 224th Objection, and (2) grant Franz such other and further relief as this Court deems appropriate.

**RESPONSE TO THE 224TH OBJECTION**

12. Franz respectfully requests that the Court deny the Debtors' 224th Objection as it relates to the Amended Franz Proof of Claim.

13. As this Response, the Affidavit of Franz and the Motion will show, Franz timely filed the Franz Proof of Claim 2 on or about September 15, 2009. Thereafter, upon learning that Franz Proof of Claim 2 had been expunged without notice to him, Franz immediately contacted counsel for the Debtors to explain that he never received a copy of the 92nd Objection. (See Affidavit of Franz ¶ 12).

14. Thereafter, Franz filed the Amended Franz Proof of Claim covering those Lehman Bonds identified in Franz Proof of Claim 2 and additional bonds of the Debtors owned by Franz. Consequently, the Amended Franz Proof of Claim is not a late-filed proof of claim. Upon reinstatement of the Franz's claim, the Amended Franz Proof of Claim will simply serve as an amendment of the timely-filed Franz Proof of Claim 2.

15. In light of the fact that Franz did not receive notice of the 92nd Objection or the March 31st Order, he is entitled to the reinstatement of Franz Proof of Claim 2 which has been amended by the Amended Franz Proof of Claim.

16. Consequently, the Debtors should not be permitted to disallow or expunge the Amended Franz Proof of Claim under these circumstances and Franz respectfully requests that this Court deny the 224th Objection as it relates to the Amended Franz Proof of Claim.

**NO PRIOR REQUEST**

No previous request for the relief sought herein has been made to this Court or any other court.

**RESERVATION OF RIGHTS**

Franz reserves the right to make such other and further objections and to supplement or revise this Response as may be appropriate

**CONCLUSION**

For the reasons set forth above, Franz respectfully requests that this Court (i) overrule and deny the 224th Objection as it relates to the Amended Franz Claim for the reasons set forth herein, and (ii) grant such other and further relief as the Court deems appropriate.

Dated: November 14, 2011

Respectfully submitted,  
**WHITE AND WILLIAMS LLP**

By: Sedgwick M. Jeanite  
Sedgwick M. Jeanite, Esquire  
White and Williams LLP  
One Penn Plaza, Suite 4110  
New York, NY 10119

*Counsel for Robert Franz*